

Development Work Group 0209 Minutes
Tuesday 06 August 2008
31 Homer Road, Solihull

Attendees

John Bradley (Chair)	(JB)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Bali Dohel	(BD)	Scotia Gas Networks
Dawn Jarvis	(DJ)	EDF Energy
Eleanor Laurence	(EL)	EDF Energy
George Glenn	(GG)	ScottishPower
James Crump	(JC)	Ofgem
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Kennedy	(KK)	ScottishPower
Sallyann Blackett (Proposer)	(SB)	E.ON Energy
Simon Howe	(SH)	RWE Npower
Stefan Leedham	(SL)	EDF Energy
Steve Nunnington	(SN)	xoserve
Steve Taylor	(ST)	British Gas Trading
Sue Prosser	(SP)	xoserve

Apologies

Denis Aitchison	(DA)	Scotia Gas Networks
Louise Hellyer	(LH)	Total Gas & Power
Mark Jones	(MJ)	SSE
Phil Lucas	(PL)	National Grid Distribution

1. Introduction and Development Work Group Operation

1.1 Minutes from May Meeting

Chair (JB) pointed out that the minutes had been amended and republished following a request by P Lucas, National Grid Distribution. Thereafter, the minutes of the previous meeting were accepted.

1.2 Review of Actions from previous meetings

DWG0209 009 – xoserve (SP) informed members that a copy of her response is available to view or download from the Joint Office of Gas Transporters web site at: <http://www.gasgovernance.com/Code/DWGs/Mod0209/06Aug08/>

SP pointed out that it was unclear from the data whether or not the meter points included in the calculations had been reflected within the filter failures. The filter failure data goes back a long way, and as a consequence, any proposed manual investigations would be an onerous task and would appear to have minimal impact upon the outcome anyway.

Chair (JB) asked, and members agreed to close the action.

Action DWG0209 009: Closed

DWG0209 010 – Please refer to item 2.2 below.

DWG0209 011 – Chair (JB) advised members that in the absence of M Jones, SSE there was no further update on the status of this action. However, members will need to ensure that it is considered as part of the business rules item.

Chair (JB) asked, and members agreed to carry forward the action.

Action DWG0209 011: Carried forward

DWG0209 12, 13 & 14 – Please refer to item 2.0 below.

DWG0209 015 – xoserve (SN) informed members that providing read performance analysis v's current submissions frequency over a representative period would involve a large, chargeable piece of work which 'falls' under the governance review.

Chair (JB) asked, and members agreed to carry forward the action.

Action DWG0209 015: Carried forward

2. Development Group Discussions on Validation Rules & UNC Related Document

2.1 xoserve presentation on 'The AQ calculation and validation process'

xoserve (SP) provided a presentation on 'The AQ calculation and validation process', a copy of which is available to view or download from the Joint Office web site at: <http://www.gasgovernance.com/Code/DWGs/Mod0209/08Aug08/>

In running through the presentation, SP pointed out to members that it is her view that elements of the processes will still be needed under the new Rolling AQ regime. Chair (JB) also reminded members that at some point, they will need to review what is, or is not, required in more detail. A summary of the key discussion points highlighted the following:

- System Calculation process
 - Warnings report and AQ analysis are the main areas of focus for the group;
- Warnings Report (appendix 1) & Report Reasons
 - RSU relates to a 'registered system user';
 - Do not calculate an AQ for unregistered sites;
 - 1st fail reason triggers a rejection;
 - Validation of a meter reading works through the reasons report in sequence until a read either fails, or passes;
 - MRR 00001 reason code utilisation has greatly reduced since the new meter read types were introduced in 2005;
 - CPN 00323 reflects problems with the asset data;
 - Set up/migration errors which are beyond shipper control are addressed via either a data cleansing exercise or specific request;
 - Large I&C and monthly reads will be 'covered' under the must reads procedure;
- AQ Team Validations (Appendix 2)
 - Considerations undertaken via DESC;
 - Manual calculation processes;

- I&C exclusions left 19k out of 309k MPRN's to manually consider;
- Review of Flats (within an address) is undertaken to try to avoid flats becoming threshold crossers;
- Downward I&C (flats) threshold crossers are allowed to recalculate;
- ETM's – Electronic Token Meters have a similar criteria to flats;
- In cases where the ETM 'flag' is currently set it is assumed that the asset data is correct;
- 150,000 kWh is an inherited figure;
- A general rule of thumb for ETM's is to try to pick the lowest value (system or spec calc AQ);
- Assumption is that 4 dial meters will not have a very high an AQ;
- Only 29 cases of a meter point with a 4 dial asset and a system AQ greater than 1,000,000 kWh reviewed in 2007;
- There were no cases of a meter point with a 4 dial asset and a spec AQ greater than 1,000,000 kWh in 2007;
- The Domestic column in the table relates to threshold crossers;
- In future, reviews will utilise the new tolerance levels agreed under item 2.2 below;
- The spec calculator could be retained for shipper use;
- 128 meter points were used for the example spec calculations;
- Domestic exclusions left 34k out of 553k MPRN's to manually consider, and
- In the statement 'the system AQ is greater than 500% and the spec calc AQ is 0', the 500% is expressed as a percentage of the current AQ.
- Spec calc & spec calc validations
 - Whilst it is recognised that the spec calc calculates in a different manner to the system calculator, xoserve are only obliged to do a calculation;
 - Allows shippers to recalculate or move the calculation date;
 - Some of appendix 3 listings may disappear, when and if, the amendments process is removed under 0209 Rolling AQ proposals;
 - Assumption is that the spec calc validations may still be needed, in one form or another, for utilisation within an appeals process under a rolling AQ regime;
 - Appeals process may only be needed in future for cases where extremely poor historic read data exists – general consensus is that this may be used on an optional basis in future;
 - In appendix 3 list, only two validation items relate to the sites & meters database;
- AQ Amendments: Process Flow & Amendment Validations
 - Amendment Validations are expected to disappear when and if the amendments process is removed under 0209 Rolling AQ proposals;

- Some amendment validation items may be retained for utilisation in a future Rolling AQ Appeals process;

Members concluded that the real issue for 0209 is how many of the filter failures are dealt with compared to those you do nothing with and allow to rollover. It is all to do with how the 19k I&C meter points are handled in the absence of an amendment window as it remains contentious as to whether or not the manual calculation process can be removed under a new Rolling AQ regime. SP agreed to take an action to provide further analysis of her figures to identify a carry forward ratio (based on 2008 data).

When asked, SP indicated that she can provide a copy of the xoserve training guidelines which highlights how to undertake an AQ validation check.

Following further discussion, members agreed that the current manual processes could be (where appropriate and cost effective) automated in a future Rolling AQ regime. They then went on to agree that the 'winter consumption' value should be amended to a percentage in the new regime.

In closing, members agreed to retain the amendment validation process and amend the appeal process to include either a winter consumption or submissions validation process. Additionally, file types will be the same for both the appeals and amendments processes.

Chair (JB) asked, and members agreed to close actions DWG0209 012 and 013.

Actions DWG0209 012, and 013: Closed

Action DWG0209 016: xoserve (SP) to provide further analysis of her figures to identify a carry forward ratio (based on 2008 data).

Action DWG0209 017: xoserve (SP) to provide a copy of the xoserve training guidelines which highlight how to undertake an AQ validation check.

2.2 E.ON Energy presentation on 'AQ Tolerance Proposal' (including consideration of EDF 'Rolling AQ Review Group 0209 EUC Banding Tolerance Analysis paper')

E.ON Energy (SB) provided a presentation on 'AQ Tolerance Proposal', a copy of which is available to view or download from the Joint Office web site at: <http://www.gasgovernance.com/Code/DWGs/Mod0209/08Aug08/>

In running through the presentation, members highlighted the following items of interest:

- EUC Band 1
 - In the SSP population sample 2310 sites equates to approximately 60% of throughput;
 - Population variation of + or – 25% can be a reflection of customer behaviour patterns;
 - The '+100% to -80% captures 99.2% - 99.8% of changes' statement is based upon year on year AQ changes;
 - Most important consideration for companies is how many they could cope with – perhaps looking at the top 5% of the largest movers is one option;
- LSP EUC Bands
 - LSP bands 2 to 4 equate to the 'smaller end' of the LSP sites;

- EUC band 9 equates to only 13 sites;
- Tolerances for bands 1 - 4
 - Percentages reflect the previous 'skewed' histogram;
 - Assumptions based upon how much natural variation you would allow through compared with the true natural variation you would have;
 - Calculations based upon an annual movement;
 - Members recognised that band 2's are difficult items to address and concerns remain about how to identify 'ramp up' v's 'step changes', in band 3's;
 - AQ increases will go live 1 month after failing validation whilst decreases will only go live if requested;
 - Members concluded that it is better to consider system parameters now, rather than later, and
 - Proposals provide a financial incentive on shippers to manage their AQ's better.

Following further detailed discussions members agreed in principle to the following EUC banding limits:

EUC Bands	Tolerance Range
1, 2, 3 and 4	+100% to - 80%
5	+50% to -50%
6	+40% to -40%
7 and 8	+30% to -30%

Members also discussed supporting the above limits with an annual review mechanism allied to incorporation of the appropriate clauses within the AQ Validation Rules.

Chair (JB) asked, and members agreed to close actions DWG0209 010 and 014.

Actions DWG0209 010, and 014: Closed

2.3 Validation Rules document

Chair (JB) provided a presentation on the validation rules document, a copy of which is available to view or download from the Joint Office web site at: <http://www.gasgovernance.com/Code/DWGs/Mod0209/08Aug08/>

In running through the presentation, members highlighted the following items of interest:

- Development of this requires members to review xoserve's listings as provided in item 2.1 above;
- In essence all warning report items should remain although they may require subtle amendment;
- Change date range from 6 to 9 months;
- Future 'trigger' may be either a meter read or an annual read, and

- Add an item to 'cover' winter consumption.

In closing, Chair (JB) agreed to take on board the suggestions and work with xoserve to review and refine the validation rules document and publish prior to the next meeting.

Action DWG0209 018: Joint Office (JB) and xoserve (SP) to review the validation rules document and make appropriate amendments with a view to publication in time for consideration at the next meeting.

3. Detailed Business Rules

Chair (JB) provided a presentation on the business rules (v0.3) undertaking appropriate changes on-screen.

A copy of the 'original' draft and revised (marked up) versions of the business rules are available to view or download from the Joint Office web site at:

<http://www.gasgovernance.com/Code/DWGs/Mod0209/08Aug08/>

Parties then agreed to undertake the following actions in time for the next meeting.

Action DWG0209 019: All members to consider the revised business rules and report their views at the next meeting.

4. Publication of Information

Chair (JB) reminded members of the Authority's view (N Nash comments recorded in a previous meeting) before members went on to discuss the merit of aggregating the monthly reports into one annual report.

Parties then agreed to undertake the following actions in time for the next meeting.

Action DWG0209 020: All members to consider the merits of aggregating the monthly reports into one annual report.

Action DWG0209 021: Ofgem (JC) to double check with N Nash and identify/clarify what they (the Authority) actually want, based upon N Nash's rationale, in terms of information provision.

5. Development Work Group Report

Chair (JB) provided a brief presentation on-screen advising members that costs remain a big issue whilst reminding them that any quotation from xoserve will be based on the 'final' business rules. Members acknowledged that identification of financial benefits is of paramount importance.

SN pointed out to members that National Grid is currently looking at the meter reading frequency issues. Furthermore, if any Transporter representatives could prepare a work request proposal, he could provide a system quote.

Parties then agreed to take undertake the following actions in time for the next meeting.

Action DWG0209 022: E.ON Energy (SB) to look to compare her 'original' proposal wording with the work group report to ensure correct alignment.

Action DWG0209 023: E.ON Energy (SB) to look at the benefit summary for UNC modification 0177 and it's potential inclusion within the work group report.

6. Diary Planning for Work Group

Chair (JB) provided a brief outline of the proposed workgroup meetings as follows:

- 15 September 2008 10:00 – National Grid Office, 31 Homer Road
- 06 October 2008 10:00 – National Grid Office, 31 Homer Road

JB explained that there were only a limited number of time-slots at 31 Homer Road and this had caused the start time to vary from the optimum.

7. AOB

None.

APPENDIX A.

ACTION LOG – Development Work Group 0209

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DWG0209 009	15/07/08	2.1	Provide filter failure analysis note for distribution alongside the minutes of the meeting.	xoserve (SP)	Update provided. Closed
DWG0209 010	15/07/08	2.2	Undertake some analysis of the EUC banding option for use in a validation process and report back at the next meeting.	E.ON Energy (SB)	Update provided. Closed
DWG0209 011	15/07/08	2.2	Investigate 0640 potential impacts on a validation process and report back at the next meeting.	SSE (MJ)	Update due at September meeting.
DWG0209 012	15/07/08	2.2	Check if the current validation rules had been sent to the Joint Office of Gas Transporters for publication, and if not, provide a copy in time for consideration by members at the next meeting.	xoserve (SN)	Update provided. Closed
DWG0209 013	15/07/08	3.0	Examine the file formats for AQ elements and provide a listing for consideration at the next meeting.	xoserve (SP)	Update provided. Closed
DWG0209 014	15/07/08	4.0	Examine the UNC related document requirements in time for consideration at the next meeting.	EDF Energy (SL)	Update provided. Closed
DWG0209 015	15/07/08	6.0	Provide analysis of read performance against the current required submission frequencies over a representative period	xoserve (SN)	Update due at September meeting.
DWG0209 016	06/08/08	2.1	Provide further analysis of her figures to identify a carry forward ratio (based on 2008 data).	xoserve (SP)	Update due at September meeting.
DWG0209 017	06/08/08	2.1	Provide a copy of the xoserve training guidelines which highlight how to undertake an AQ validation check.	xoserve (SP)	Update due at September meeting.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DWG0209 018	06/08/08	2.3	Review the validation rules document and make appropriate amendments with a view to publication in time for consideration at the next meeting.	Joint Office (JB) & xoserve (SP)	Update due at September meeting.
DWG0209 019	06/08/08	3.0	Members to consider the revised business rules and report their views at the next meeting.	All	Update due at September meeting.
DWG0209 020	06/08/08	4.0	Members to consider the merits of aggregating the monthly reports into one annual report.	All	Update due at September meeting.
DWG0209 021	06/08/08	4.0	Double check with N Nash and identify/clarify what they (the Authority) actually want, based upon N Nash's rationale, in terms of information provision.	Ofgem (JC)	Update due at September meeting.
DWG0209 022	06/08/08	5.0	Proposer to look to compare her 'original' proposal wording with the work group report to ensure correct alignment.	E.ON Energy (SB)	Update due at September meeting.
DWG0209 023	06/08/08	5.0	Proposer to look at the benefit summary for UNC modification 0177 and it's potential inclusion within the work group report.	E.ON Energy (SB)	Update due at September meeting.

In addition a number of actions were identified on the straw man update presentation placed on the Joint Office website.

*** Key to action owners**

SP Sue Prosser, xoserve
 SB Sallyann Blacket, E.ON Energy
 SN Steve Nunnington, xoserve
 MJ Mark Jones, SSE